

No. 11965.

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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LANE-WELLS COMPANY, a corporation,

*Appellant,*

*vs.*

M. O. JOHNSTON OIL FIELD SERVICE CORPORATION,  
a corporation,

*Appellee.*

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M. O. JOHNSTON OIL FIELD SERVICE CORPORATION,  
a corporation,

*Cross-Appellant,*

*vs.*

LANE-WELLS COMPANY, a corporation,

*Cross-Appellee.*

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CROSS-APPELLEE'S ANSWERING BRIEF.

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## CROSS-APPELLEE'S ANSWERING BRIEF.

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### Introduction.

This is a brief on behalf of Lane-Wells Company, Defendant in the declaratory judgment action in the Court below and Cross-complainant in that action. Lane-Wells Company is Appellant in this Court on a question of law with regard to the infringement of the Lane patent and Cross-appellee as to the question of the fact of the validity of the Lane patent. This brief is an answering brief on

the cross-appeal to the "Opening Brief on Behalf of Appellant M. O. Johnston Oil Field Service Corporation."

Lane-Wells Company, Defendant, Cross-complainant, Appellant, and Cross-appellee, is herein designated as "Defendant", and the adverse party is herein designated as "Plaintiff", to avoid the confusion (to the writer of this brief) involved in the use of the complete appellations of the parties.

This cross-appeal and the briefs therein are concerned entirely with the question of the fact of the validity of the Lane patent. The District Court found the Lane patent valid.

The principal contentions of Plaintiff in its "Opening Brief on behalf of Appellant M. O. Johnston Oil Field Service Corporation", and the only ones thought deserving of comment, appear to be:

(1) The Lane patent is invalid because directed to an aggregation (p. 25).

(2) The Lane patent is for an "abstract idea" instead of a combination of elements and is invalid (p. 17).

(3) The combination defined by the claims of the Lane patent is without utility (p. 44).

(4) The claims of the Lane patent are indefinite, and hence the patent is invalid (pp. 60, 72).

(5) The combination defined by the claims of the Lane patent involves only mechanical skill and not the inventive faculty, and hence the Lane patent is invalid (pp. 38, 53).

Each of these contentions is refuted herein in correspondingly numbered sections.

I.

**The Lane Patent in Suit Is Not for an Aggregation  
but a True Combination and Is Valid.**

**A. The Court so Found and Concluded.**

In its Conclusion of Law 5 the Court held that “the Lane patent discloses a patentable invention” [Tr. 71], and in its Conclusion of Law 4, after discussing the question of aggregation, the Court made the same conclusion [Tr. 70], thus supporting its Finding of Fact 42 to the effect that the combined gun perforator and formation tester, such as disclosed and covered by the Lane patent, will obtain a formation sample in low pressure sands such as cannot be obtained where the gun perforator and formation tester are used separately [Tr. 61].

**B. The Combination of Elements of the Lane Patent Claims Accomplishes Results That Are Better Than and Different From the Results of the Operation of the Elements Used Separately.**

*(1) Upon Making a Production Test of an Oil Sand at Low Pressure, the Combined Gun Perforator and Formation Tester, Such as Disclosed in the Lane Patent, Will Obtain a Sample Such as Could Not Be Secured by Using Such Tools Separately.*

When perforating and testing by running a perforating gun into a well, perforating the casing, and withdrawing the gun, and thereafter as a separate operation running a formation tester into the well and securing a sample and withdrawing it, the time interval between the perforating and the testing is a matter of several hours [Finding 40, Tr. 61].

When perforating and testing using the combined gun perforator and formation tester, such as disclosed in the Lane patent, the time interval between perforating and taking of the sample is usually a matter of from four to fifteen minutes [Finding 41, Tr. 61].

During this time interval between perforating and testing, the rotary mud within the casing under the full pressure of the column of mud equal to the depth of the well is forced out into the newly perforated formation, and water from the rotary mud escapes into and mingles with the liquids within the formation, contaminating and diluting them and leaving the mud cake formed by the escape of such water tenaciously deposited upon the face of the perforated formation.

The record establishes that it is frequently desirable to establish the salinity of the water taken as samples from a formation in a well, because this salinity in different levels of the formations in the well usually differs; if the salinity of the sample truly reflects the salinity of the formation liquid, the level at which the sample is taken may be accurately determined; if it does not, such level cannot be determined [Testimony of Plaintiff's President, Johnston, Tr. 404-05]. Thus the invasion of the fresh water from the mud into the formation in the several hours during which the mud is permitted to infiltrate the formation, using the gun perforator and formation tester separately, contaminates, masks, and makes infinitely more difficult the determination of the source of the salt water sample taken than when the combined perforator and formation tester is used, which permits such invasion for only four to fifteen minutes [Testimony of Plaintiff's President, Johnston, Tr. 406]. Therefore, a result as regards the determination of the source of a salt water sample is accom-



plished by the combined gun perforator and formation tester incapable of accomplishment by use of the gun perforator and formation tester separately.

The mud cake which is deposited upon the surface of the perforated formation by the escape of water from the mud into the formation, obviously, is formed much thicker during the several hours that the mud is in contact with the perforated formation when the gun perforator and formation tester are used separately than it is formed during the four to fifteen minutes during which the mud is in contact with the perforated formation using the combined gun perforator and formation tester. This mud cake is dense, leathery, impervious, and resists the flow of the formation liquids into the formation tester.

The Court found "subjecting a candidate-oil-producing zone through perforations in a well casing to the pressure of the mud fluid in the well casing, for a matter of hours between perforating the casing and taking a formation test, would have some effect in retarding the flow of oil or native formation fluid from such zone into the tester, because of the penetration of filtrate water into the zone and the forming of mud cake in the perforations during the time interval between perforating and testing" [Finding 38, Tr. 60].

Obviously, the accuracy of the sample secured is more important when taken from a low pressure oil sand than from a high pressure oil sand, because a less than representative sample is more likely to be secured from a low

pressure sand and result in a well being shut down instead of produced.

Supported by the foregoing is the finding made by the Court that in making a production test from an oil sand under low pressure "the taking of a test immediately following perforation would result in obtaining a formation sample such as could not be obtained where a test is made in a matter of several hours after perforation" [Finding 42, Tr. 61].

It is not surprising, therefore, that the President of the Plaintiff readily agreed that, if no sample were secured utilizing the gun perforator and formation tester separately, such is no reliable indication that a sample would not have been secured using the combined gun perforator and formation tester such as disclosed by the Lane patent:

"Q. \* \* \* My question presupposes this operation, Mr. Johnston: that you had run or someone had run a gun perforator separately from the tester, and then in the performance of your separate testing service you had run a tester into the well separately from the gun perforator to secure a sample and you secured no sample; now, is that a reliable indication that if, instead of running the separate tools, you had run the combined tool, you would not have gotten a sample?  
A. No; it is not a reliable indication. . . ." [Tr. 424.]

Here is another result accomplished by the combined gun perforator and formation tester incapable of accomplishment by the use of such tools separately.



- (2) *It Is Not Necessary to Use a Bailer or Swab With the Gun Perforator and Formation Tester of the Lane Patent, but if a Bailer or Swab Is Used, a More Representative Sample Is Secured Than Is Secured by the Use of the Gun Perforator and Formation Tester Separately.*

The President of the Plaintiff testified that a formation tester has utility and is desirable for use in a well having sufficiently high pressure to flow the well fluids upwardly through it to the surface of the ground [Tr. 139]. Obviously, the combined gun perforator and formation tester of the Lane patent has the same utility and desirability in such well. Under such circumstances a bailer or swab is not necessary in the Lane apparatus to withdraw the sample.

If a bailer or swab is used with the Lane apparatus in wells of lesser pressure to withdraw the sample, a more representative sample is secured than is secured using the gun perforator and formation tester separately for the reasons set forth in the preceding section (1).

- (3) *The Combined Gun Perforator and Formation Tester of the Lane Patent Saves Time, and Hence Expense, by Securing a Formation Sample More Quickly Than It Can Be Secured by the Use of a Gun Perforator and Formation Tester Separately.*

This was the testimony of Plaintiff's President Johnston [Tr. 408]. This was the finding of the Court made in its original finding [Finding 70, Tr. 67] and its supplementary finding: "The combination of a perforator and tester such as that described in the Lane patent in

suit No. 2,029,491 accomplishes under certain conditions a saving of time and money over the separate use of its elements" [Amended Finding 42, Tr. 79].

The authorities are legion and well known to this Court that, if a patented plurality of elements accomplishes a new and better result or an old result in a more facile, economical, and efficient manner, such plurality of elements is a patentable combination as contrasted with an unpatentable aggregation.

" . . . So a new combination of known devices, whereby the effectiveness of a machine is increased, may be the subject of a patent. . . ."

*Cantrell v. Wallick*, 117 U. S. 689, 29 L. Ed. 1017, at 1018 (1886).

"With respect to the result produced, it is not essential that it be a wholly new result, but it is sufficient if an old result is effected in a more facile, economical, or efficient way. *Galvin Elec. Mfg. Co. v. Emerson Elec. Mfg. Co.* (C. C. A. 8), 19 F. (2d) 885, 888; *Ottumwa Box Car Loader Co. v. Christy Box Car Loader Co.* (C. C. A. 8), 215 F. 362, 369; *New York Scaffolding Co. v. Whitney* (C. C. A. 8), 224 F. 452, 456; *National Hollow Brake-Beam Co. v. Interchangeable B.-B. Co.* (C. C. A. 8), 106 F. 693, 706, 707; *Skinner Bros. Belting Co. v. Oil Well Imp. Co.* (C. C. A. 10), 54 F. (2d) 896; *Grinnel Washington Mach. Co. v. E. E. Johnson Co.*, 247 U. S. 426, 432, 38 S. Ct. 547, 62 L. Ed. 1196."

*Independent Oil Well Cementing Co. v. Halliburton*, 54 F. 2d 900, 905 (C. C. A. 10, 1932), (cert. denied 286 U. S. 544, 76 L. Ed. 1281).

"The result need not be new. It is sufficient if an old result be produced in a more facile, economic or efficient way. *Willard v. Union Tool Company*, 9 Cir., 253 F. 48; *New York Scaffolding Co. v. Whitney*, 8 Cir., 224 F. 452."

*Long v. Dick*, 38 Fed. Supp. 214, 220 (Calif. D. C. 1941).

"The primary object of the second patent is to provide a method and apparatus for mixing water and cement and for conveying the mixture to the point of use and depositing it in its final form before its quality has been impaired by setting or hardening to an appreciable degree. This is a unitary result produced by the combined forces of the mixer and conveyer, and it could only be accomplished by maintaining a synchronous relation between the speed of the mixer and the speed of the conveyer. While it is true that the mixer mixes the cement and the conveyer thereafter takes it and conveys it to the point of use, yet it is because of co-operation and co-ordination between the two that the object of depositing the mixture in place with such speed as conditions permit and require and with the quality unimpaired by reason of the setting or hardening of the cement is accomplished.\* There is co-ordination of action between the mixer and the conveyer in that their speeds are synchronized; there is co-operation in that one mixes and the other conveys, and the mixture produced by the former exactly equals that which the latter immediately conveys and puts in place. This co-ordination and co-operation is possible because the speed of the mixer can be controlled by regulating the pressure

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\*Throughout this brief all underlines are ours.

and velocity of the stream of water which proportions and mixes the cement and water. The result produced is more than the aggregate of mixing and conveying, it is mixing and conveying in synchronous relation so that the cement is put in place with its quality unimpaired. While the result is old, it is accomplished in a new and more facile, economical, and efficient way.

“We conclude that the claims of the second patent in suit, set out in Note 2, are patentable combinations.”

*Independent Oil Well Cementing Co. v. Halliburton*, 54 F. 2d 900, 906-07 (C. C. A. 10, 1932), (cert. denied 286 U. S. 544, 76 L. Ed. 1281).

“It is said that it is an aggregation and not a combination that the guide spools operate in the same way that they have always operated; and so of the other elements. This is true, but not fatal, for it is not necessary to a valid combination that one element shall affect the quality of the work done by another. It is said that the elements are but hitched together, and therefore are not patentable. Nor is this the test. The test is whether the combination discloses a co-operation or a co-ordination of the elements which, working together as a unit, although mayhap not simultaneously, produces a new or better result. The distinction between combination and aggregation is one difficult to put in words that really define; it has been the subject of much legal literature which we find it unnecessary to review. Walker (6th Ed.), §§70, 71, deals with it at length. Justice Matthews drew an analogy from real estate law; joint tenants the com-

bination, tenants in common the aggregation. *Pickering v. McCullough*, 104 U. S. 310, 26 L. Ed. 749. Judge Hook compared an aggregation to 'successive changes of horses in a coach journey from London to Bath. Those out of London, their task done, dropped their burden at Maidenhead; others picked it up there, and carried it to Newbury; and so on to destination.' *Moore v. Saunders* (C. C. A. 8), 247 F. 314, 317. Following his analogy, four horses hitched to a coach would be a combination. Where definitions are abstract, there is a natural disposition to resort to analogy. A rough analogy, that cannot be pressed too far, has repeatedly occurred to me in considering this question. I think of a football team as a combination; one passes, one receives, another blocks, another runs, and still others hold the line. Eleven men are doing different things, each in his own way, and not always simultaneously; yet they are working to a common end, to advance the ball; and they coact as a unit. I think of a track team as an aggregation; one runs, another hurdles, another jumps, another throws. They all work for a common general end, to amass points for their alma mater; but there is lacking the vital spark of co-operation or co-ordination. They work, not as one unit, but as several. In the case at bar, we have no doubt that the device is a combination and not an aggregation. A single object is to be accomplished; to prevent escape of the oil from the well. All the elements co-ordinate in working to that end. It is not a relay of horses from London to Bath; it is a three-horse hitch to the same coach. We conclude that the first patent is valid."

*Skinner Bros. Belting Co. v. Oil Well Improvements Co.*, 54 F. 2d 896, 898-9 (C. C. A. 10, 1931).



“Are claims 1 to 4 patentable combinations?

“The applicable principles of law are well settled by the adjudicated cases.

“In *Hailes v. Van Wormer*, 20 Wall. 353, 368 (22 L. Ed. 241), the court said:

“‘It must be conceded that a new combination, if it produces new and useful results, is patentable, though all the constituents of the combination were well known and in common use before the combination was made. But the results must be a product of the combination and not a mere aggregate of several results each the complete product of one of the combined elements.’

“See, also, *Palmer v. Corning*, 156 U. S. 342, 15 S. Ct. 381, 39 L. Ed. 455; *Grinnell Washing Machine Co. v. Johnson Co.*, 247 U. S. 426, 432, 433, 38 S. Ct. 547, 62 L. Ed. 1196.

“In *National Hollow Brake-Beam Co. v. Interchangeable Brake-Beam Co.* (C. C. A. 8), 106 Fed. 693, 706, 707, the court said:

“‘The second claim of the first patent to Hien is for a combination of old mechanical elements in a new way. It is not for new elements, but for a new method of combining old elements; and a new combination of old elements, whereby a new and useful result is produced, or an old result is attained in a more facile, economical, and efficient way, may be protected by patent as securely as a new machine or composition of matter. *Seymour v. Osborne*, 11 Wall. 516, 542, 548, 20 L. Ed. 33; *Gould v. Rees*, 15 Wall. 187, 189, 21 L. Ed. 39; *Thomson v. Bank*, 53 F. 250, 252, 3 C. C. A. 518, 520, 10 U. S. App. 500, 509.’

“See, also, Ottumwa B. C. Loader Co. v. Christy B. C. Loader Co., *supra*; New York Scaffolding Co. v. Whitney, *supra*; Disc Grader & Plow Co. v. Auston Western Road Machinery Co. (C. C. A. 8), 254 F. 430, 433; Minneapolis, etc. Co. v. Barnett & Record Co. (C. C. A.), 257 F. 302, *supra*; Sodemann Heat & Power Co. v. Kauffman (C. C. A. 8), 275 F. 593, 596; St. Louis Street Flushing Machine Co. v. American Street Flushing Machine Co. (C. C. A. 8), 156 F. 574, 576; Frey v. Marvel Auto Supply Co. (C. C. A. 6), 236 F. 916, 919; Zip Mfg. Co. v. Pusch, *supra*.

“In Proudfit Loose Leaf Co. v. Kalamazoo Loose Leaf B. Co. (C. C. A. 6), 230 F. 120, 127, the court said:

“‘If every element was old, invention would still exist if the combination either produced a new and useful result or effected an old result in a new and materially better way.’

“In Ohmer Fare Register Co. v. Ohmer (C. C. A. 6), 238 F. 182, 190, the court said:

“‘In order to escape aggregation, it is not necessary that all the constituents so enter into the combination as to coact all the time with all the others or change the mode of connection with every other. It is sufficient that the elements so coact that as a consequence of their union a new and useful result, and not a mere aggregation of several results, follows.’

“In Willard v. Union Tool Co. (C. C. A. 9), 253 F. 48, 53, the court said:

“‘Nor is it necessary that the action of the elements be simultaneous. Pelton Waterwheel Co. v. Doble, 190 F. 760, 111 C. C. A. 488; Burdett-Rowntree Mfg. Co. v. Standard Plunger E. Co. (C. C.),

196 F. 43; *Novelty Glass Mfg. Co. v. Brookfield*, 170 F. 946, 95 C. C. A. 516; *Krell Auto Grand Piano Co. v. Story & Clark Co.*, 207 F. 946, 125 C. C. A. 394. Nor is it necessary that one of the constituent elements shall so enter into the combination as to change the action of the others. *International Mausoleum Co. v. Sievert*, 213 F. 225, 129 C. C. A. 569. It is sufficient if there be some joint operation performed by the elements producing a result due to their co-operative action.'

"See, also *Pelton Waterwheel Co. v. Doble* (C. C. A. 9), 190 F. 760; *New York Scaffolding Co. v. Whitney* (C. C. A. 8), 224 F. 452, 458; *National Cash Register Co. v. American Cash Register Co.* (C. C. A. 3), 53 F. 367, 371; *International Mausoleum Co. v. Sievert* (C. C. A. 6), 213 F. 225, 229.

"An examination of claims 1 to 4, inclusive, in the light of the principles above stated discloses, we believe, that they are valid combinations . . ."

*Galvin Electric Mfg. Co. v. Emerson Electric Mfg. Co.*, 19 F. 2d 885, 890 (C. C. A. 8, 1927).

- C. That the Packer, Gun Perforator, and Formation Tester in the Combined Tool Perform Their Inherent Functions and Are Individually Old Does Not Detract From the Patentability of Their Combination; Otherwise No Valid Patent on a Combination of Old Elements Could Exist.

As the Court may well judicially notice, almost without exception mechanical patents issued now and in the last several decades have been for a plurality of mechanical elements each of which was individually old. Thus in a printing press, new, useful, and inventive, the elements might be an old lever, an old gear train, old platens, old



rollers, and old pressure devices, each performing its inherent function, and still the patent therefore may be valid.

There are numerous decisions to the effect that (and none known to the writer to the contrary) the fact that all of the elements of a claimed combination are individually old does not detract from the patentability of the combination if the combination be new.

“ . . . Conceding for the purpose of the argument, that the elements are all old and that each element used produces no new result, yet we are convinced that a beneficial result has been produced in a more efficient, economical and facile manner, and we feel constrained to hold the claims valid. *New York Scaffolding Co. v. Whitney*, 8 Cir., 224 F. 452.”

*E. R. Wagner Mfg. Co. v. Porter Steel Specialties*,  
116 F. 2d 63, 67 (C. C. A. 7, 1940).

“In discussing the validity of the patent in suit, it may be admitted that all the elements in appellee’s structure were old in the art. Appellee claims, however, that its structure is a new combination of these elements which produces a novel and useful result (or an old result in a more facile, economical, and efficient way). If this be true, it is sufficient to uphold the patent. *New York Scaffolding Co. v. Whitney* (C. C. A.), 224 F. 452.”

*Young Radiator Co. v. Modine Mfg. Co.*, 55 F. 2d 545, 546 (C. C. A. 7, 1931) (Rehearing denied 1932).

Indeed, there are numerous decisions holding that from the fact that the elements of a device are claimed as a combination it may be presumed that each of the elements individually is old in the art.

“The patent being for a combination, and no claim being made for a patent on any one of the elements, it is conclusively presumed either that they were old in the art or not patentable. *Richards v. Chase Elevator Co.*, 159 U. S. 477, 486, 16 S. Ct. 53, 40 L. Ed. 225; *City of St. Louis v. Prendergast*, 29 F. 2d 188 (C. C. A. 8).”

*Harris v. Ladd*, 34 F. 2d 761, at 762 (C. C. A. 8, 1929).

All of the Plaintiff's cases cited in the section of its brief commencing at page 25 and relating to aggregation are distinguishable, and most of them by the quotations utilized by the Plaintiff in its brief, in that there was involved in such cases a union of elements which accomplished no new or better result or no old result in a more facile, economical, or efficient manner.

For the reason that the combination of elements of the Lane patent claims accomplishes results that are better than and different from the results of the operation of the elements used separately, for the reason that the fact that the packer, gun perforator, and formation tester in the combined tool of the Lane patent perform their inherent functions and are individually old, does not detract from the patentability of their combination, and for the reason that the Court so found and concluded, it is submitted that the Lane patent in suit is not for an aggregation but a true combination and is valid.

II.

**The Lane Patent Is for a Combination of Mechanical Elements, Not an "Abstract Idea," and Is Valid.**

**A. The Claims of the Lane Patent in Issue Define, Not an "Abstract Idea," but a Combination of Mechanical Elements and Their Physical and Cooperative Relationship.**

Claims 9 and 14, for example, define a packer, a gun unit or means, and a receiving device or entrapping means, so related that the packer divides the well bore into two zones, the gun unit being connected with the packer and firing a projectile into the formation surrounding the well bore to open one of the zones for the passage of fluids from the formation along the path of the projectile, and the receiving or entrapping device having an intake passage connected with the fluid-receiving zone to receive fluid introduced from the formation through the path formed by the projectile. Here certainly is no "abstract idea"; here clearly is a combination of mechanical elements defined specifically by their physical and cooperative relationship.

**B. Plaintiff's Cases With Respect to an "Abstract Idea" Being Unpatentable Are Distinguishable From the Factual Situation Here Presented.**

It is submitted that the excerpt from the decision of *Killefer Mfg. Co. v Dinuba Associates, Ltd.*, 67 F. 2d 362, at 366, is not quoted with complete fairness because it omits those parts of the decision which establish that the idea involved in the patent was sufficiently applied to a definite mechanism by the patent, and both the idea and the mechanism were anticipated by prior patents.

" . . . But, assuming that the idea involved in the patent is sufficiently applied to a definite mechan-

ism by the patent description and drawings of the lever, the wheel, the pawl, and the mounting of the carriage with its tools eccentrically with reference to the center of the traction wheels, we still have a very broad claim even if it be conceded that the novelty of the patent consists solely in the method of releasing the pawl. The very breadth of this claim endangers its validity because of the number of patents covering portions of this same field. Many of such patents of power lift implements are set up by the appellant as anticipations of the appellee's claim . . .” (p. 366.)

“These patents for power lift agricultural implements applied for and issued before the Petzoldt patent show a system of disengaging the pawl of the lifting device by a succeeding pin of the small wheel anticipating the Petzoldt patent.” (p. 367.)

“We conclude that claim 1 of the Petzoldt patent is invalid because anticipated by the Beckwith patent above referred to and so far as the claim is predicated upon the disengaging of the pawl by a following pin of the wheel as described in the claim was anticipated by the Rupprecht and Mader patents . . .” (p. 368.)

Such is not the case here presented, for clearly there is no prior patent disclosing the combination defined by the claims of the Lane patent.

The remaining decisions cited in the section of Plaintiff's brief commencing at page 17 are likewise easily distinguishable from the facts here involved.

*R. G. Le Tourneau, Inc. v. Garwood Industries, Inc.*, 151 F. 2d 432 (Pltf. Br. p. 21), in the excerpts quoted by Plaintiff, bases its decision on the fact that there is

no new or different result achieved by the patented combination.

*Knapp v. Morse*, 150 U. S. 221, 14 S. Ct. 81, quoted at page 22 of Plaintiff's brief, is based upon the finding that the invention covered by a patent must "consist of new and useful means of obtaining that end," with which requirement the invention of the Lane patent clearly complies.

The remaining decisions quoted in this section of Plaintiff's brief establish merely that invention, rather than mechanical skill, must be involved in the provision of a combination of elements subject of a valid patent.

We do not dissent from this doctrine of law, have often urged it ourselves, and submit that it applies here to establish the validity of the Lane patent as found by the District Court in its Conclusion 5 discussing mechanical ingenuity and ending with the statement: "it is therefore concluded that the Lane patent discloses a patentable invention."

**C. The Law Applicable to the Facts Here Presented Is That a New Combination of Old Mechanical Elements Accomplishing a New and Better Result or an Old Result in a More Facile, Economical, and Efficient Manner Is a Patentable Combination.**

Cases establishing this doctrine are collected herein *supra* under Point I-B(3).

That the Court clearly understood the claims of the Lane patent as defining a combination of mechanical ele-



ments appears from the record [Tr. 356, 357]. That Plaintiff and Plaintiff's counsel likewise understood the Lane patent claims to be directed to a combination of mechanical elements and not an "abstract idea" appears not only from the record [Tr. 98] but also from the original Complaint itself, which recites in Paragraph VII:

"That in the event that claims numbered 7, 8, 9, 11, 12, 13, and 14 of Letters Patent No. 2,029,491 . . . are valid and interpreted and applied literally as worded, that the same can be read upon the Johnston Perforator and Formation Tester manufactured, operated, and used by this Plaintiff and would be infringed thereby." [Tr. 5.]

For the reason that the claims of the Lane patent define, not an "abstract idea," but a combination of mechanical elements and their physical and cooperative relationship, for the reason that Plaintiff's cases with respect to an "abstract idea" being unpatentable are distinguishable from the factual situation here presented, and for the reason that the law applicable to the facts here is that a new combination of old mechanical elements accomplishing a new and better result or an old result in a more facile, economical, and efficient manner (as does the Lane claimed combination) is a patentable combination, it is submitted that the Lane patent is for a combination of mechanical elements, not an "abstract idea," and is valid.

III.

**The Combination of the Lane Patent Is Useful and  
the Patent Is Valid.**

**A. The Court Has So Found.**

In its amendment to Finding 42 [Tr. 79], the Court found

“The combination of a perforator and tester such as that described in the Lane patent in suit, No. 2,029,491, accomplishes under certain conditions a saving of time and money over the separate use of its elements.”

In its original Finding 48, the Court held

“Claims 7-9, inclusive, and 11-14, inclusive, of the Lane patent in suit disclose a combination that is useful.” [Tr. 63.]

This is a finding of fact.

In its Conclusion of Law 7, the Court said:

“The Lane patent, No. 2,029,491 is valid as to claims 7-9, inclusive, and 11-14, inclusive.” [Tr. 71.]

This same conclusion of validity and the conclusion that the Lane patent discloses a patentable invention are three times reiterated in the Court’s Conclusions 4, 5 and 6. [Tr. 71.]

**B. The Record Establishes That the Combined Gun Perforator and Formation Tester of the Lane Patent Can Successfully Secure a Sample of the Formation Liquids.**

The Court, in part of its Finding 31, stated:

“a satisfactory sample could possibly be secured by adding a liquid cushion above the sample in the Lane apparatus before the packer is released and by employing a bean at the surface of the ground, thus controlling the rate of inflow of the mud to the apparatus after the packer is unseated.” [Tr. 59.]

It is the testimony of the President of the plaintiff that prior to December, 1930, he had observed the use of such beans in oil well tubing to control the rate at which the well fluids entered the tubing at the bottom of the well and the rate at which they were discharged from the top of the well [Tr. 198-199] so that the bean or valve control referred to in the Court's Finding was old in the art before the application for the Lane patent was filed.

The use of bailers and swabs was likewise old in the art for drawing a liquid from a formation tester [Plaintiff's President, Tr. 140 and 149]. Mr. M. O. Johnston clearly admitted that in the use of a bailer with his formation tester, Exhibit 17-Q, a sample could be secured with the bailer:

“Q. By Mr. Foster: 17-Q. It was also possible in that device after you had secured your sample in the tubing, 35 of Figure 1, to run down with the bailer and get some of the sample and withdraw it through the tubing, wasn't it? A. Yes, you could do that.



Q. Now referring to Exhibit 9—I mean that was a practical operation to do if one wanted to do it?

A. Yes, if one wanted to do it. Yes, they could do it.” [Tr. 154-155.]

In the face of the admission by Plaintiff’s President that such a bailing operation is not only possible but practical, it is difficult to understand how plaintiff’s counsel can now urge that the same bailing operation through the same tubing is not both possible and practical in the Lane apparatus.

Plaintiff’s expert O’Neill testified that when he went into the oil fields in 1920, it was the practice for the oil companies to make tests of wells by bailing or swabbing [Tr. 209]; plaintiff’s expert Barton admitted that tests by bailing were made many years ago [Tr. 366]; and plaintiff’s witness O’Neill, in demonstrating what was purported to be a model of the Johnston accused combined tool, stated his intention to secure a sample from this tool by bailing it out [Tr. 254-255]. In spite of this established antiquity of the bailing and swabbing operations and the admitted possibility and practicability of bailing a sample from a Johnston tester and a purported model of a Johnston combined gun perforator and formation tester, it is now asserted by Plaintiff that such an operation is not practical with the Lane combined gun perforator and formation tester. The record establishes the lack of merit of this contention.

Plaintiff’s President testified that his Johnston formation tester had “utility and was desirable in the respect that it would permit the well to flow upwardly through it to the surface if the pressure were enough in the formation” [Tr. 139]. We cannot see why the Lane forma-

tion tester and perforator tool would not likewise have utility and be desirable under the same circumstances.

In view of all of the foregoing, it is submitted that plaintiff's contention of impracticability and lack of utility in its opening brief is not well founded.

**C. A Patent Is Not Invalid for Lack of Utility Because the Embodiment of the Invention It Illustrates and Describes Is Not the Best Commercial Form or Requires Changes or Additions or the Use of Other Devices Known in the Art.**

"Imperfections in a machine, not affecting the substance of the invention, and which are curable by mechanical skill, do not render the patent inoperative. Dalton Adding Mach. Co. v. Rockford Milling Mach. Co. (D. C.), 253 F. 187; Crown Cork & Seal Co. v. Aluminum Stopper Co., 108 F. 845, 48 C. C. A. 72; Western Telephone Mfg. Co. v. American Electric Telephone Co., 131 F. 75, 65 C. C. A. 313; Engineer Co. v. Hotel Astor (D. C.), 226 F. 779; Electric Smelting & Aluminum Co. v. Pittsburg Reduction Co., 125 F. 926, 60 C. C. A. 636; Scott v. Fisher Knitting Mach. Co., 145 F. 915, 76 C. C. A. 447; Carnegie Steel Co. v. Cambria Iron Co., 185 U. S. 403, 22 S. Ct. 698, 46 L. Ed. 968; Dashiell v. Grosvenor, 162 U. S. 425, 16 S. Ct. 805, 40 L. Ed. 1025."

*Remington Cash Register Co., Inc. v. National Cash Register Co.*, 6 F. 2d 585, 629 (D. C. Conn., 1925).

"The appellant's attack on the sufficiency of the disclosures is directed to the fact that it is not stated in the patent that the hair is to be wound under tension on the curling rod. There is no merit in this

contention. The patent was directed to those skilled in the art where the Croquignole wave was not new and where it was well known that strong tension must be applied to the hair while winding in order to produce a permanent wave. The disclosure was sufficient."

*Johnson Co., Inc. v. Philad Co.*, 96 F. 2d 442, at 443 (C. C. A. 9, 1938).

"It is assumed, as claimed by plaintiffs, that the value of the Franklin device was made so that it would let the contents of the pipe escape while it was being taken out of the well. But by mere substitution of a tight valve for a leaky one the device would be made to hold and bring up samples from the formation below the packer. The difference between the Franklin valve, leaking while being drawn from the well, and that of the patent in suit, purposely made to close tightly, is not an essential or patentable element.

" . . . The process consists of 'lowering an empty string of pipe,' 'setting the packer,' 'opening the valve inlet,' 'closing the valved inlet,' 'raising the pipe so closed to remove an entrapped sample and the packer from the well.' The result to be achieved by the method claimed to be new is precisely the same as that for the attainment of which the apparatus found to be old was contrived.

" . . . It cannot reasonably be held that anything more than mechanical skill of men familiar with known methods of obtaining oil from formations be-

low packers would be required to suggest the raising of the pipe containing fluid entrapped and held by effective closing of the valve."

*Honolulu Oil Corporation, Ltd. v. Erle P. Halliburton*, 306 U. S. 550, 83 L. Ed. 980, at 985, 987 (1939).

It is worthy of note that the plaintiff found it necessary to make numerous changes in the gun perforator of its commercial design as compared with the gun perforator described and illustrated in the Collins patents, under which it has and does pay royalty [Tr. 184-185].

Consistent with the foregoing decisions, it must be noted that the use of beans, cushions of liquid, swabs, and bailers was old and well known to those skilled in the art, as established by the portions of the record hereinbefore identified.

**D. The Claims of the Lane Patent Are Not Invalid for Lack of Utility of the Structure Described Unless the Structure Is Proved Incapable of Performing Any Useful Function Whatsoever; It Is Not Sufficient to Negative Utility That the Patented Device May Not Function Under Certain Circumstances.**

" . . . Whatever may be said of the Burdick patent, it is in evidence that brushes made under it are capable of being used to some extent. Complainants show that they have placed a number of them on the market and have received numerous testimonials as to their value. Defendant's evidence shows that they can be made to do only a limited quality of work . . .

“It requires only slight evidence of successful operation to avoid the defense here set up . . . .”

*Thayer & Chandler v. Wold*, 142 Fed. 776, 778  
(C. C. N. D. Ill. 1906) (Affirmed 148 Fed. 227,  
C. C. A. 7, 1906).

“Defendant further asserts that the structure disclosed by Lowenstein is not useful. It is well settled that a patent is prima facie evidence of utility, and doubts relative to the question should be resolved against infringers. *Crown Cork & Seal Co. v. Aluminum Stopper Co.* (C. C. A.), 108 F. 845. When this defense is relied upon, the evidence must show a total incapacity of the invention to do anything claimed for it, because neither imperfect operation nor a total failure to perform part of the claimed functions will sustain the defense of want of utility. *Seymour v. Marsh*, 6 Fish. Pat. Cas. 115, Fed. Cas. No. 12,687. Defendant has not introduced any evidence which meets the test, but plaintiff has introduced theoretical evidence based upon practical use, which convinces me that the Lowenstein condenser produced the result ascribed to it in the patent.”

*Scovill Mfg. Co. v. Satler*, 21 F. 2d 630, at 634  
(D. C. Conn. 1927).

“. . . And in all cases the evidence must show a total incapacity in the invention to do anything claimed for it, because neither imperfect operation, nor a total failure to perform part of the claimed functions, will sustain a defense of want of utility. [*Seymour v. Marsh*, 6 Fish. Pat. Cas. 115, Fed. Cas. No. 12,687, C. C., Pa. (1872).] . . . .”

*Walker on Patents*, Deller's Edition, Sec. 720, p.  
2031.



“ . . . The machine patented may be imperfect in its operation but if it embodies the generic principle and works, that is, if it actually and mechanically performs, though only in a crude way, the important function by which it makes the substantial change claimed for it in the art, it is enough. Telephone Cases, 126 U. S. 1, 535, 31 L. Ed. 863, 989, 8 Sup. Ct. Rep. 778; Mergenthaler Linotype Co. v. Press Pub. Co., 57 Fed. 502, 505.”

*Herbert L. Hildreth v. Jim M. Mastoras*, 257 U. S. 27, 66 L. Ed. 112, 116-17 (1921).

“A device need not be perfect in order to escape the charge of inoperativeness. It is obvious that McLean’s device is not perfect, and it may be that defendant’s device is the better of the two; but if, as I am convinced, McLean was the first to devise a combination of old elements which would come near enough to producing constant pressure nearly atmospheric in a fire box, to effect large savings in fuel, then he is entitled to make subsequent improvers pay tribute to him. The test of operativeness is to ascertain whether the patented device does (even lamely and imperfectly) perform the acts claimed for it in the method described and (perhaps) for the reasons given . . . .”

*Engineer Co. v. Hotel Astor*, 226 Fed. 779, 783 (D. C. N. Y.) (1914).

The record establishes, as hereinbefore set forth, that the device disclosed in the Lane patent and defined by its claims is capable of performing the useful objects

stated in the patent and desirable functions in the entrapping and securing of a sample of formation liquids. Hence, the foregoing authorities are clearly here applicable.

**E. Plaintiff Has Paid Tribute to the Utility of the Claimed Invention by Appropriating It.**

This is established by the Complaint originally filed.<sup>1</sup> This was admitted by Plaintiff's counsel at the trial.<sup>2</sup>

"On the other hand, the defendants, having used machines which embody plaintiff's patent, cannot be heard to dispute the utility of the patent. *Lehnbeuter v. Holthaus*, 105 U. S. 94, 96, 97, 26 L. Ed. 939; *International Tooth Co. v. Hanks Association (C. C.)*, 111 F. 920, 921; same case affirmed, 122

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<sup>1</sup>"That in the event that claims numbered 7, 8, 9, 11, 12, 13 and 14 of Letters Patent No. 2,029,491 . . . are valid and interpreted and applied literally as worded, that the same can be read upon the Johnston Perforator and Formation Tester manufactured, operated and used by this plaintiff and would be infringed thereby." [Tr. 5.]

<sup>2</sup>"The Court: If they are as broad as claimed and are valid in that breadth, to that extent, you freely concede there has been infringement.

Mr. Mellin: I think the court just put, in other words, exactly what I pleaded.

Mr. Foster: That applies to both patents, Mr. Mellin?

Mr. Mellin: Of course." [Tr. 98.]

F. 74, 58 C. C. A. 180; *Cummer & Son Co. v. Atlas Co.*, 193 F. 993, 997, 113 C. C. A. 611; *Boyce v. Stewart*, 220 F. 118, 126, 136 C. C. A. 72.”

*Dunkley Co. v. Central California Canneries*, 7 F. 2d 972, 976-77 (C. C. A. 9, 1925; Rehearing denied 1925) (Cert. denied 245 U. S. 668, 62 L. Ed. 539).

“ . . . defendants have quite closely followed the process of plaintiff’s reissue patent and have produced a correspondingly like product. An infringer is estopped from denying utility and operability. *Dunkley Co. v. Cent. Calif. Canneries* (C. C. A.), 7 F. 2d 972, 976; *Boyce v. Stewart-Warner Corp.* (C. C. A.), 220 F. 118, 126.”

*Kansas City Southern Ry. Co. v. Silica Products Co.*, 48 F. 2d 503, 505 (C. C. A. 8, 1931; Rehearing denied 1931) (Cert. denied 284 U. S. 626, 76 L. Ed. 533).

**F. Industry Has Paid Tribute to the Utility of the Claimed Invention by Paying Royalty for Its Use.**

Defendant’s Exhibit AK is a license agreement, pursuant to which McCullough Tool Company secured a license under the Lane patent and agreed to pay, and has paid, a royalty for the use of the combination gun perforator and formation tester of \$15.00 if the test is made at a depth of less than 6,000 feet and \$1.00 additional for each 1,000 feet or fraction thereof at a depth deeper than 6,000 feet, and a royalty of five per cent of the amount received upon each such tool sold for use outside the United States [Tr. 691].



Pursuant to said agreement a report was made by McCullough Tool Company, Defendant's Exhibit AM-1 [Tr. 698] and payment was made for the single month covered by the report, amounting to \$650.00, as shown by Defendant's Exhibit AM-2 [Tr. 701].

For all of the reasons hereinbefore set forth it is submitted that the combination of the Lane patent is useful, and the patent is valid.

For the reason that the Court has found the combination of the Lane patent defined by its claims to be useful, for the reason that the record establishes that such Lane combination can successfully secure a sample of the formation liquids, for the reason that a patent is not invalid for lack of utility because the embodiment it discloses is not the best commercial form or requires the use of other devices known to those skilled in the art (and auxiliary devices adapted for use with the Lane apparatus were well known to those skilled in the art), for the reason that such combination is not proved incapable of performing any useful function whatsoever, for the reason that the Plaintiff has paid tribute to the utility of the claimed invention by appropriating it, and for the reason that industry has paid tribute to the claimed invention by paying royalty for its use, and in the light of the authorities herein cited, it is submitted that the combination defined by the claims of the Lane patent is useful, and the patent is valid.

IV.

**The Claims of the Lane Patent Are Definite, Comply,  
With R. S. 4888, and Are Valid.**

A. The Court So Specifically Held in Its Conclusion 6 [Tr. 71] and Also Generally So Held in Its Conclusions of Validity Numbered 4, 5 and 7 [Tr. 70, 71].

B. Plaintiff and Its Counsel Clearly Understood the Claims of the Lane Patent.

This is shown by the fact that the original Complaint admitted that, if the words of the claims were given their ordinary meaning, they were infringed by the accused apparatus;<sup>3</sup> it is shown also by the fact that Plaintiff's counsel at the trial made the same admission.<sup>4</sup>

C. Plaintiff's Expert Clearly Understood the Claims of the Lane Patent.

This is established by the fact that O'Neill testified that he had no difficulty (after reading the Lane patent, with all of the benefits of its disclosure before him and with "hindsight") in combining a gun perforator, formation tester, and packer as illustrated at page 39 of Plaintiff's Opening Brief here in a manner which Plaintiff's counsel contends and illustrates meets the terms of the Lane claims by the provision of all of the mechanical elements defined in such claims.

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<sup>3</sup>See footnote 1, *supra*.

<sup>4</sup>See footnote 2, *supra*.

D. The Doctrine of the Halliburton Case<sup>5</sup> Does Not Apply to the Claims of the Lane Patent.

This is true for a number of reasons:

(1) The claim involved in the *Halliburton* decision defined every one of its elements as “means”;<sup>6</sup> the Lane patent claims do not.

The *Halliburton* decision expressly reaffirmed the holding in the *Paper Bag Case* (210 U. S. 405, 52 L. Ed. 1122), which held not invalid as indefinite the claim there involved which defined some but less than all of the elements as “means.”<sup>7</sup>

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<sup>5</sup>71 U.S.P.Q. 175; 91 L. Ed. 15 (Advance Sheet).

<sup>6</sup>“In an apparatus for determining the location of an obstruction in a well having therein a string of assembled tubing sections interconnected with each other by coupling collars, means communicating with said well for creating a pressure impulse in said well, echo receiving means including a pressure responsive device exposed to said well for receiving pressure impulses from the well and for measuring the lapse of time between the creation of the impulse and the arrival at said receiving means of the echo from said obstruction, and means associated with said pressure responsive device for tuning said receiving means to the frequency of echoes from the tubing collars of said tubing sections to clearly distinguish the echoes from said couplings from each other.” (*Ibid.*, p. 19, footnote.)

<sup>7</sup>“2. In a paper bag machine, the combination of the rotating cylinder provided with one or more pairs of side folding fingers adapted to be moved toward or from each other, a forming plate also provided with side forming fingers adapted to be moved toward or from each other, means for operating said fingers at definite times during the formative action upon the bag tube, operating means for the forming plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder for the purpose of opening and forming the bottom of the bag tube, a finger moving with the forming plate for receiving the upper sheet of the tube and lifting it during the formative action, power devices for returning the forming plate to its original position to receive a new bag tube, and means to move the bag tube with the cylinder.” (*Ibid.*, pp. 21, 22, footnote.)

The Lane patent claims here involved defining less than all of their elements as “means” are the type of the claim of the *Paper Bag Case*, not the type of the claim of the *Halliburton Case*, and hence are valid and definite.

“ . . . Every structural element of the Walker claim, apart from the preamble, was expressed by a ‘means’ clause including the specific contribution of the patentee. In distinguishing the claim of the Walker patent from the claim of the *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U. S. 405, 28 S. Ct. 748, 52 L. Ed. 1122, the Court in the Walker case said (67 S. Ct. 12): ‘In that case, however, the claims structurally described the physical and operating relationship of all the crucial parts of the novel combination.’ The Court in the Walker case held that the invention in the Paper Bag case was adequately described. We are convinced that the claims here in issue cannot be said to consist with the claims of the Walker patent but they are in every respect similar to the claims in the Paper Bag case. See also *O’Reilly v. Morse*, 56 U. S. 62, claim 8, at page 112, 14 L. Ed. 601.

“It is urged by appellant that some of the claims are functional. If so, such language is in words of limitation which express the relationship of the structural elements only, and for this reason such claims are not to be considered as functional.”

*Minnesota Mining & Mfg. Co. v. International Plastic Corporation*, 159 F. 2d 554, at 558 (C. C. A. 7 1947).

(2) The requisites to certainty found absent in the claims in the *Halliburton Case* are here present.

In the *Halliburton Case* it was held that the claim was invalid, because it did not recite “the physical structure” of the element new in the combination or “the physical relation” of this element to the other elements or “the manner in which” the new element “will operate together with” the other elements. These requisites were stated in the alternative; if any one had been present, the claim would have been sustained.

In the claims of the Lane patent (e. g., claim 11):

(a) All of the elements are old;

(b) “The physical relation” of the sample receiving means to the gun unit is defined as “having an inlet in proximity to said gun unit”;

(c) “The manner in which” the packer means “will operate together with” the sample receiving means is defined as “minimizing the introduction of fluids into said sample receiving means from sources other than the avenue provided by said projectile.”

All three of the requisites to certainty absent in the *Halliburton Case* are present in the Lane patent claims.

(3) The patent involved in the *Halliburton* decision discloses a single embodiment of the invention; the Lane patent discloses two embodiments.

In the Lane patent one embodiment is illustrated in Figs. 1 to 4 of the drawings, and another embodiment is shown in Fig. 5, and both embodiments are described in the specification and defined in the claims (e. g., claims 7 and 8 as to one form, and claims 9, 11, 12, 13, and 14 as to another form).



In holding that the doctrine of the *Halliburton Case* should not be applied, the Circuit Court of Appeals for the Seventh Circuit stated:

“ . . . in the Walker case the specification of the patent disclosed only one means for accomplishing the objective of the patentee, while the claim covered all means by which it also could be accomplished. . . . ”

*Minnesota Mining & Mfg. Co. v. International Plastic Corporation*, 159 F. 2d 554 (1947).

In an article Mr. Nathan A. Conn, Examiner of Division 25 of the United States Patent Office, has written with respect to the *Halliburton* decision:

“Thus this ground of holding the claim invalid as being too broad is really based upon another principle, namely, the lack of disclosure of alternative forms required to form a basis for a generic claim.”

*Journal of the Patent Office Society*, Vol. XXIX, No. 4, April, 1947, p. 289, at 293.

(4) The prior art devices involved in the *Halliburton* decision were inherently capable of accomplishing the result of the patented structure; this is not true in the instant case.

None of the prior art relied upon by Plaintiff discloses a combined gun perforator, formation tester, and packer. Plaintiff's President testified that he had never known of such a combination tool prior to his production of it or prior to the Lane patent.<sup>8</sup>

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<sup>8</sup>“Q. Never before the applications for the patents in suit, the Lane and Spencer patents, did you ever see, hear of, or know of any use, invention by others, or any disclosure in a printed publica-



Mr. Nathan A. Conn, hereinbefore referred to, has written with respect to the *Halliburton* decision:

“In other words, in view of the fact that the field was crowded and that, if Lehr and Wyatt had perceived that the shoulder echoes could be seen on their recording device by proper magnification, they could have obtained Walker’s result without any change in their apparatus. Walker could not be given a claim so broad as to amount to all means for accomplishing the improved result. For this result was substantially inherent in Lehr & Wyatt’s apparatus.”

*Journal of the Patent Office Society*, Vol. XXIX, No. 4, April, 1947, p. 289, at 294.

(5) In the *Halliburton Case* the Court held that the field of invention was “crowded almost, if not completely, to the point of exhaustion”; such is not the situation in the instant case.

None of the prior art disclosed the combination of the claims of the Lane patent, and there was no such combination in existence prior to the Lane patent.<sup>9</sup>

For all of the foregoing reasons it is respectfully submitted that the doctrine of the *Halliburton* decision does not apply to the claims here involved and that the claims of the Lane patent are definite, comply with R. S. 4888, and are valid as found by the District Court.

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tion or a patent of a combined gun perforator, packer and formation tester in a unitary tool that could be run into and withdrawn from a well as a unit; that is true, isn't it? A. As a unit; only separately.

Q. With that qualification, you agree that that is true? A. That is true up to the time of that patent.

Q. Of the patents in suit? A. Of the patents in suit.” [Tr. 424-25.]

<sup>9</sup>See footnote 8 *supra*.

V.

**The Lane Patent Is for a Combination Involving the Inventive Faculty, More Than Mechanical Skill, and Is Valid.**

**A. The Court So Held.**

In its Conclusion 5 relating to the contrast between mechanical skill and invention, the Court stated “it is therefore concluded that the Lane patent discloses a patentable invention” [Tr. 71], as well as finding that the claims of the Lane patent define “a combination that is new” and “a combination that is useful” [Findings 47, 48, Tr. 62, 63].

**B. The Court’s Findings With Respect to the Johnston Accused Tool Are in No Way Inconsistent With Invention Being Involved in the Lane Patented Device.**

In its Findings 57, 58 and 65 [Tr. 64, 66], the Court found the accused apparatus to comprise standard elements requiring no structural modification and only mechanical skill for their assembly.

This is wholly consistent with, and indeed emphasizes, the presence of invention in the Lane apparatus, because:

(1) The accused device was admittedly made after full knowledge of the Lane patent and indeed after attempts had been made by Plaintiff to secure a license under it [Exhibit 30-B-1 to 5].

(2) Obviously, the gun perforator and formation tester were designed to facilitate their assembly into the accused combined tool.

(3) No prior patent discloses such a combined gun perforator, formation tester, and packer, and none was

known prior to the Lane patent [Tr. 424-25; see footnote 8, *supra*].

(4) Attempts to provide such a combined tool by utilizing patents prior to Lane required many modifications and resulted in a tool which was admittedly impractical and of no utility.<sup>10</sup>

**C. Plaintiff's Attempt by Its Expert, With Full Knowledge of the Lane Patent and "Hindsight," to Provide the Lane Patented Combination From Old Patents Establishes That Invention Was Involved in the Lane Combination.**

Knowledge of the Lane patent has been admitted [Exhibit 30-B-1 to 5].

Plaintiff's expert O'Neill testified in response to his counsel's questions that in order to unite the gun perforator of the Mims patent, Plaintiff's Exhibit 17-G, with the formation tester of the Simmons patent, Plaintiff's Exhibit 17-S, as illustrated in Plaintiff's Exhibit 22, it was necessary to:

(1) Drill through the cap at the bottom of the perforated anchor of the Simmons device;

(2) Drill a hole upwardly through the center of the stem of the Simmons tool;

(3) Place a packing at each end of the last identified hole;

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<sup>10</sup>*Post*, subdivision C of this point.

(4) Pass an electrical cable out through the side of the collar at the top of the Simmons device; and

(5) Use instead of a conical packer [as disclosed in Plaintiff's Exhibit 22] a different style of packer, such as a hook wall packer or a regular casing packer.

Obvious from even a casual examination of the Simmons patent [Plaintiff's Exhibit 17-S, Tr. 617] and the Mims patent [Plaintiff's Exhibit 17-G, Tr. 548] is the fact that none of these changes are disclosed, suggested, or intimated by either of them.

As stated by this Court in *Bianchi v. Barili*, 78 U. S. P. Q. 5, at 7 (1948):

“In *Topliff v. Topliff and Another*, 145 U. S. 156, 161, the court said:

“‘It is not sufficient to constitute an anticipation that the device relied upon might, by modification, be made to accomplish the function performed by the patent in question, if it were not designed by its maker, nor adapted, nor actually used, for the performance of such functions.’”

If this construction of a combined gun perforator, formation tester, and packer of Simmons and Mims, in a manner not suggested, contemplated, or hinted at by either of these patents, provided any combined tool as illustrated by Plaintiff's Exhibit 22 [Tr. 655] which was considered as involving no invention (even though it were formed with “hindsight” of the Lane patent), it is an impractical tool as established by the testimony of Plaintiff's President

that to thread an electrical conductor through the drill pipe or tubing "would not be practical to do" [Tr. 180, 197].<sup>11</sup>

Plaintiff's President Johnston, in spite of his many years spent in the oil tool industry, was unable even as an expert to combine an old gun perforator with his own formation tester, as shown by his testimony.<sup>12</sup>

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<sup>11</sup>"Q. On your redirect examination you referred to the possibility of combining the gun perforator of the Mims patent with your present tester and packer, and stated that the electrical conductor wire or cable could be run through the tubing to the surface of the ground. Now, as a practical man, with your experience in the oil fields, you would not think it practical to run 10,000 feet of electrical cable through the well tubing or drill string when you had to thread that two miles of wire through each section of the tubing or string as you assembled it and withdraw it as you removed it, would you? A. Mr. Foster, it certainly would not be a practical thing to do but it could be done." [Tr. 196-97.]

<sup>12</sup>"Q. Now, when you were speaking of combining it with your tester, you had reference to a tester such as is illustrated and described in the patent marked Plaintiff's Exhibit 17-Y, for identification; is that correct? A. That is a gun. That is not a tester.

Q. Oh, I am sorry. You had in mind a tester such as illustrated and described in your patent marked Plaintiff's Exhibit 17-U, for identification; is that correct? A. Yes, sir.

Q. And that conductor I imagine could be stopped so that it was energized by contact, for example, with the lower end of the valve cage 35. Would that be a good way to do it? A. I don't know how you would ground out or get through it. You are getting a little—my electrical knowledge doesn't teach me that. I know you can take two wires leading from it, that you can do that. My electrical knowledge is limited on cables, but I suppose that there could be an insulated conductor and this be of some material, and this be Bakelite or a non-conductor, and you can do that. I imagine an electrical engineer could figure that out.

Q. So that the record is clear, Mr. Johnston, I don't mean to go beyond your knowledge and experience, but so the record may be clear, you were pointing to the element indicated by the numeral 35 in Fig. 1 of Exhibit 17-U as being the locality where the circuit might be closed by the lowering of that valve cage in order to energize the gun; is that correct? A. That's correct, yes, sir." [Tr. 180-81.]



Furthermore, it is obvious that Plaintiff's Exhibit 22, as reflected on page 39 of the Opening Brief on behalf of Appellant M. O. Johnston Oil Field Service Corporation, is an impractical tool, since the packer is a rathole packer, permitting the perforator gun to perforate only in the rathole in open formation, which obviously is not required and never an operation performed to secure a sample, since the formation is open to sampling without perforating.

A comparison of Plaintiff's Exhibit 22 with Defendant's Exhibit AI-2 demonstrates graphically that Plaintiff's accused device does not in any way resemble that combination of old patents made by Plaintiff's expert in an attempt to approach the combination of the Lane patent. On the contrary, this exhibit demonstrates that Plaintiff has followed the teachings of the Lane patent instead of the teachings of the prior art.

Plaintiff's President Johnston testified as follows:

"Q. Well, in designing or making your combined tool, that is, the perforator and tester which is the subject of the suit here, did you utilize the perforator of this Mims patent which is Exhibit 17-G, for identification? A. Did I use the Mims gun?

Q. Yes. A. No, I didn't use the Mims gun." [Tr. 178.]

"Q. By Mr. Foster: Did you ever use a gun perforator such as illustrated and described in the Mims patent? A. No, I never used the Mims gun." [Tr. 179.]



**D. There Are No Prior Art Patents Closer or More Pertinent to the Disclosure and the Structure Defined by the Claims of the Lane Patent Than the File Wrapper References Considered by the Patent Office.**

The Patent Office considered numerous patents relating to gun perforators, packers, etc. during the prosecution of the application for the parent of the Lane patent in suit, *i. e.*, No. 2,029,490, and the application for the patent in suit. These prior patents disclose the separate elements of the claimed combination here involved to be old, and the Patent Office allowed the claims in issue over these references clearly on the theory that a new combination of old elements was patentable.

The prior art references [Plaintiff's Exhibits 17-A to W] are no closer than the file wrapper references considered by the Patent Office. This is graphically illustrated upon Defendant's Exhibit L, the pertinent portions of which, omitting references to the Spencer patent, are reproduced as Exhibit A to this brief.

“ . . . To the presumption of validity that attaches to a granted patent, where the most pertinent prior art has been cited against it in the patent office, there must probably now be added the force of a growing recognition of finality that is generally being accorded to administrative determinations supported by evidence, on the ground that the administrative agency is expected to have developed an expertness in its specific field beyond what may be expected from the courts wherein adjudications range the whole field of human controversies. . . . ”

*Williams Mfg. Co. v. United Shoe Mach. Corporation*, 121 F. 2d 273, 277 (C. C. A. 6, 1941, (Aff'd) 316 U. S. 364; 86 L. Ed. 1537).

“The best reference cited by the defendant as the nearest approach to Hibbard was the Maxwell patent, No. 1,089,659 issued to the defendant March 10, 1914. This patent was considered and rejected by the Patent Office in connection with the Hibbard application, thereby strengthening the regular presumption of validity of the Hibbard patent. *Smokador Mfg. Co. v. Tubular Products Co.* (C. C. A.) 31 F. (2d) 255, 257; *Elkon Works v. Welworth Automotive Corporation* (D. C.) 25 F. (2d) 968, 970.”

*Electric Machinery Mfg. Co. v. General Electric Co.*, 13 Fed. Supp. 940, 942 (D. C. S. D. N. Y.) (1936). (Modified and affirmed 86 F. 2d 11, C. C. A. 2 1937.)

“Defendant’s expert picked this Corey patent as the nearest approach to the invention of the patent in suit, but the patent in suit was granted after consideration of the Corey patent by the Patent Office, and this strengthens the presumption of validity of the patent in suit.”

*Elkon Works, Inc. v. Welworth Automotive Corporation*, 25 F. 2d 968, 970 (D. C. N. Y. 1928).

For the foregoing reasons it is respectfully submitted that the Lane patent is for a combination involving in its production the inventive faculty, more than mechanical skill, and is therefore valid.

VI.

**The Findings of the District Court as to the Validity of the Claims of the Lane Patent, Being Findings of Fact, Should Not Be Set Aside Since They Are Supported by Substantial Evidence.**

In support of this conviction we rely upon recent decisions of this Court:

“(3) We are of the view that the trial court committed no error in its factual findings and that its determination and application of the law was and is correct.

“(4) The question of whether or not a new and useful combination is the result of mere mechanical skill, or of inventive faculty, is one of fact.

“(5) What constitutes invention as distinguished from a mere aggregation, is a question of fact.

“(6) Questions of invention and patent validity are questions of fact.

“(7) Whether prior art patents or publications disclose or anticipate the subject matter of a patent in issue is determined as a question of fact.

“(8) The issue of infringement presents a question of fact.

“(9) The Gibbs patent was regularly issued and its claims are presumptively valid.”

*Faulkner v. Gibbs*, 170 F. 2d 34, at 37 (C. C. A. 9, 1948). (Rehearing denied 1948.)

“The court, by its above mentioned findings, determined two questions—the question of novelty and the question of invention. Both were questions of fact. *Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co.*, 9 Cir., 151 F. 2d 91 [66 USPQ 396]; *Maulsby*

v. Conzevoy, 9 Cir., 161 F. 2d 165 [73 USPQ 249].  
The findings are supported by substantial evidence,  
are not clearly erroneous and should not be disturbed.

. . . ”

*Refrigeration Engineering, Inc. v. York Corporation*, 78 U. S. P. Q. 315, at 317 (C. C. A. 9, 1948).

“ . . . Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. . . . ”

*Federal Rules of Civil Procedure*, Rule 52(a).

Only a portion of the evidence supporting the Findings and Conclusions of the District Court that the Lane patent claims in issue are valid has been presented herein. This portion of such evidence, it is submitted, is sufficient to establish that the Findings and Conclusions of such validity are supported by substantial evidence, and hence such Findings and Conclusions should not be reversed.

### Conclusion.

We think that the District Court considered, and this Court will consider, as fitting the factual situation here presented as neatly as a glove, the statement made by this Court in *Bianchi v. Barili* (decided by this Court June 15, 1948, and reported at 78 U. S. P. Q. 5 and 6) :

“Before a patent can be declared invalid because of anticipation, its lack of novelty must be established beyond a reasonable doubt. *Cantrell v. Wallick*, *supra*, at pages 695-696; 1 Walker §63, pages 300-303; *American Bell Telephone Co. v. People's Telephone Co.* [CC NY], 22 F. 309, 313, affirmed, 126 U. S.

1, 572; Searchlight Horn Co. v. Victor Talking Machine Co. [DC NJ], 261 F. 395, 401.

“Particularly heavy is the attacker’s burden when the validity of the patent has been sustained by court findings. General Motors Corporation v. Kesling [CCA 8], certiorari denied on March 15, 1948, 333 U. S. 855 [76 USPQ 621], 164 F. 2d 824, 827 [76 USPQ 30, 32, 33], and the many cases there cited.”

For the reason that the Lane patent in suit is not for an aggregation but a true combination, for the reason that the Lane patent is for a combination of mechanical elements and not an “abstract idea”, for the reason that the combination of the Lane patent is useful, for the reason that the claims of the Lane patent are definite and comply with R. S. 4888, for the reason that the Lane patent is for a combination involving the inventive faculty as contrasted with mechanical skill, and for the reason that the findings of the District Court as to the validity of the claims of the Lane patent, being Findings of Fact, should not be set aside, since they are supported by substantial evidence, it is respectfully submitted that the cross-appeal of Plaintiff should be dismissed and the holding of validity of the Lane patent by the District Court sustained.

Dated: At Los Angeles, California, this 6th day of April, 1949.

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